GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:4133
ANSWERED ON:04.05.2007
WARING OFF LOANS TO FARMERS
Badiga Shri Ramakrishna

Will the Minister of FINANCE be pleased to state:

(a) whether the Government is aware of the losses caused to the farmers due to floods in the first week of November, 2006, in some districts of Andhra Pradesh;

(b) whether the Government proposes to waive off loan taken by the fanners of these districts of Andhra Pradesh; and

(c) if so, the details thereof?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a) to (c) : The Government is aware of the distress of the farmers due to various natural calamities in different parts of the country including Andhra Pradesh. In the situation of drought/floods, extsmt guidelines issued by Reserve: Bank of India for providing relief in areas affected by natural calamities are followed by Banks. The guidelines, inter-alia, permit banks to:-

(i) Convert/reschedule loiins in the event of natural calamity for periods ranging from 3 to 9 years, depending upon the successive crop failure/intensity of damstge to crops;

(ii) Grant fresh crop loans to affected farmers;

(iii) Provide consumption loans to agriculturists whose crops have been damaged etc.
The Government has announced, a rehabilitation package for 31 debt stressed districts of the country which included, the farmers in the 16 debt stressed districts of Andhra Pradesli. The package alongwith other components, provides that the interest on overdue loans as on 01.07.2006 be waived off. As provided in the package, Rs.1992.18 crore of overdue interest have been waived off in Andhra Pradesh.